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IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1944

No. 882

W. F. AND JOHN BARNES COMPANY, JOHN S. BARNES CORPORATION, AND ODIN CORPORATION,

Petitioners,

vs.

INTERNATIONAL HARVESTER COMPANY AND EX-CELL-O CORPORATION,

Respondents.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SEVENTH CIRCUIT AND BRIEF IN SUPPORT THEREOF.

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PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SEVENTH CIRCUIT AND BRIEF IN SUPPORT THEREOF.

PETITION.

To the Honorable the Chief Justice and the Associate Justices of the Supreme Court of the United States:

This petition for writ of certiorari is filed because a decree of the Circuit Court of Appeals for the Seventh Circuit taxes as costs items prohibited by The Fee Bill Act of 1853 (particularly 28 U. S. C. sec. 830) and is in direct conflict with recent applicable decisions of the Supreme Court.

W. F. and John Barnes Company, John S. Barnes Corporation and Odin Corporation respectfully petition this Court to issue writ of certiorari to review a decree of the United States Circuit Court of Appeals for the Seventh Circuit. The decree was entered on November 29, 1944 (R. 206) and affirms a final order of the United States District Court for the Northern District of Illinois, Eastern Division, fixing costs in a patent infringement suit (R. 177). This petition is accompanied by a brief in support thereof and a certified transcript of the record in the case, including the proceedings in the Circuit Court of Appeals, in compliance with Rule 38, Sec. 1, Rules of this Court.

SUMMARY AND SHORT STATEMENT OF THE MATTER INVOLVED.

The decree of the Circuit Court of Appeals was entered upon an appeal from the final order of the District Court fixing costs (R. 177), Judge Barnes presiding. This order was entered pursuant to a decree (R. 148) entered on August 28, 1943, in a patent infringement suit brought by the petitioners (the plaintiffs below). The decree of the District Court dismissing the complaint for want of equity, awarded "costs" nakedly to the respondents (the defendants below). It is important that the only reference to costs in the decree is:

> "6. Costs of this proceeding shall be charged against plaintiffs" (R. 150).

The respondents' bill of costs (R. 152) filed December 10, 1943, aggregates a total of $43,096.72. Over objection, on December 20, 1943, the Clerk taxed the costs as claimed except for a few minor items not material here (R. 168).

The petitioners, on December 22, 1943, filed a motion to re-tax costs on the ground that items totalling $30,553.91

were unwarranted and unallowable items of costs (R. 176-177). The grounds continuously urged throughout these proceedings by the petitioners against the taxation of the disputed items are that as between party and party the definition of taxable costs is controlled by statute, rules in conformity with statute, or established practice consistent with statutory enactment.

The particular items in dispute are correctly characterized in the opinion of the Circuit Court of Appeals (R. 199). The principal disputed items comprise:

1. **Colored charts and colored enlargements** of patent drawings, prior art structures, and the accused machines (Item 11 of the Cost Bill, R. 164-166). The aggregate figure of the cost bill for these charts is $19,950.19 (R. 166). This item covers 531 colored charts and enlargements of the usual type employed by a patent expert to explain and amplify opinion testimony. None of the charts in this item was used to prove the identity, existence or date of any prior art structure or accused device; but instead the charts are reproductions, in whole or in part, alone or combined, of other exhibits used to establish the **fact*** of a prior use, a prior patent or an accused machine. The Court referred to some of the charts in its opinion and reproduced a few of them but the Court made no finding that any of the charts was necessary to an understanding of the evidence or to prove the material facts of respondents' case.

2. **Drafting costs for drawings of accused machines** (Item 17 of Cost Bill, R. 167, totalling $4,475.04). Before the trial, upon order of Court, the respondents had produced drawings and diagrams of accused machines (R. 11-12). Such drawings were introduced in evidence by the

* All emphasis used herein is added.

petitioners as part of their case. The drafting costs for drawings of accused machines referred to in Item 17 are not for drawings furnished upon petitioners' demand but are for additional drawings made for the use of respondents' experts especially for the purposes of the trial. The respondents' expert who directed the preparation of the charts and drawings testified that there was no discrepancy between this material covered in Item 17 and those charts and drawings furnished upon order of the Court.

3. **Wooden models and animated charts** used to demonstrate the operation of prior art or accused devices (Items 11 and 12 of the Cost Bill, R. 166), aggregating $1,007.72. Exhibits proving the existence, identity, operation, and dates of the structures were in evidence.

4. Other disputed items cover blueprints, photostats or photographs substituted in lieu of original documents or drawings upon stipulation of counsel (Items 8, 9, 14, and 16 of the Cost Bill, R. 163, 166 and 167); enlargements to 18x24″ of exhibits already in evidence (Item 15 of the Cost Bill, R. 167); certified copies of applications and file wrappers of patents other than the patents in suit (Item 1 of the Cost Bill, R. 162); charges in excess of the statutory rate for taking and certifying depositions (R. 160, 161); and attendance and subsistence fees for respondents' expert while such witness was in attendance consulting and advising with respondents' counsel during petitioners' *prima facie* and rebuttal testimony for a total of seventy-seven (77) days (R. 152-153).

The District Court denied petitioners' motion to re-tax (R. 177).

Thereupon on January 22, 1944, the petitioners appealed to the Circuit Court of Appeals for a review of the trial

court's order denying the petitioners' motion to re-tax costs (R. 178-179). As error, the petitioners asserted that the disputed items were not allowable as costs by any statute, rule, or consistently established practice and that accordingly, the taxation was error as a matter of law (R. 182-184).

On November 29, 1944, the Circuit Court of Appeals affirmed the order of the District Court. In its opinion (R. 198; 63 U.S.P.Q. 317) the Circuit Court of Appeals denied the petitioners' contention that an item may not be taxed as costs in the absence of statutory authority (R. 200); but it failed to point to any rule, practice or usage which established the disputed expenditures as items of costs. Instead, the Court allowed each of the disputed charges as being within the "discretionary power" of the court, "in the discretion" of the court, "in the exercise of its sound discretion", or "solely within its discretion". The Circuit Court cited no law which empowers the trial court with discretion to determine what items are taxable as costs.

On December 13, 1944, the petitioners filed a petition for rehearing (R. 206, 213-231), and on January 5, 1945, the petition was denied (R. 247).

The pertinent premises, as the petitioners view them, may be summarized as follows:

1. No statute establishes the disputed items as costs.

2. No rule of court establishes the disputed items as taxable costs.

3. No usage or practice in the District, Circuit or State establishes the disputed items as taxable costs.

4. The Circuit Court of Appeals permitted taxation of the disputed items as being justified solely by the discretion of the District Court. It ignored the rule

that the discretion of a federal court in respect to costs extends only to allow, withhold or apportion between the parties, but does not extend to a determination as to what is or is not a taxable item of costs.

5. The cases of *Ex Parte Peterson* (1920), 253 U. S. 300, and *Newton* v. *Consolidated Gas Co.* (1924), 265 U. S. 78, relied upon by the Circuit Court of Appeals, do not permit the taxation of items as party to party costs apart from the provisions of the Fee Bill Act of 1853, except upon established practice, usage long continued, or rule, none of which exceptions is here present.

JURISDICTIONAL STATEMENT.

The jurisdiction of this Court is believed to be sustained by Title 28 U. S. C. Sec. 347 (a) (Sec. 240a Judicial Code).

The statute of the United States, the interpretation of which is involved, is popularly know as The Fee Bill Act of 1853, 10 Stats. at Large, 161. Its pertinent provisions[1], 10 Stats. at Large 161, 168, 169, follow:

> *"An Act to Regulate the Fees and Costs to be allowed Clerks, Marshals, and Attorneys of the Circuit and District Courts of the United States, and for other Purposes.*
>
> *"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That in lieu of the compensation now allowed by law to attorneys, solicitors, and proctors in the United States courts, to United States district attorneys, clerks of the district and circuit courts, marshals, witnesses, jurors, commissioners, and printers, in the several States, the following and no other compensation shall be taxed and allowed. But this act shall not be construed to prohibit attorneys, solicitors, and proctors from charging to and receiving from their

1. Only the quoted portions are involved in this petition.

clients, other than the Government, such reasonable compensation for their services, in addition to the taxable costs, as may be in accordance with general usage in their respective States, or may be agreed upon between the parties."[2]

* * * *

(The statute then itemizes fees of attorneys, solicitors, and proctors; clerks' fees; marshals' fees; commissioners' fees; witnesses' fees; jurors' fees; and printers' fees. These various itemized amounts have been changed from time to time and are now included in Title 28 U. S. C., Sections 541 to 609.)

* * * *

"The bill of fees of clerk, marshal, and attorneys, and the amount paid printers, and witnesses, and lawful fees for exemplifications and copies of papers necessarily obtained for use on trial in cases where by law costs are recoverable in favor of the prevailing party, shall be taxed by a judge or clerk of the court, and be included in and form a portion of a judgment or decree against the losing party. Such taxed bills shall be filed with the papers in the cause."[3]

* * * *

"Sec. 5. *And be it further enacted,* That all laws and regulations heretofore made, which are incompatible with the provisions of this act, are hereby repealed and abrogated: * * * "

The brief filed in support of this petition will show that The Fee Bill Act is the sole source of authority for the taxation of costs in the Federal courts; no item may be taxed as costs unless it comes within the statute, or within rules or practice consistent with the statute.

The judgment or decree sought to be reviewed is dated November 29, 1944. Petition for rehearing said judgment

2. This section is now incorporated in Title 28 U. S. C., Sections 548, 571, 574 and 579.

3. Now incorporated without change in Title 28 U. S. C., Sec. 830.

or decree was filed and subsequently denied on January 5, 1945. This petition for certiorari is presented in January, 1945, within the three months permitted by Title 28 U. S. C., Sec. 350.

THE QUESTIONS PRESENTED.

The questions presented for consideration by this Court are:

1. In addition to amounts legally taxable as costs between "party and party", is the prevailing party in a patent infringement suit entitled to recover as "costs" anything on account of other expenses and burdens of litigation?
2. May expenditures of litigation be taxed as "party and party" costs against a losing party by a federal trial court sitting in Illinois unless made taxable as such by:
   a) express statutory enactment by Congress;
   b) rules promulgated by authority of Congress;
   c) practice established consistently with governing enactments; or
   d) usage long continued and confirmed by implication from provisions in any statute?
3. Does a federal trial court have discretion to tax as "party and party" costs, expenditures of litigation which are not defined as costs by any statute, rule, or established practice? (It is admitted that such court has discretion as to allowance, withholding, or apportionment of taxable items.)
4. Are expenditures for the following taxable as "party and party" costs on any theory:
   a) Labor and materials in preparing illustrative charts and models for use by a patent expert;
   b) Producing blueprints and photostats, substituted in lieu of original drawings and documents upon stipulation of counsel;

c) Photographs (and duplicating enlargements thereof) and motion picture film of prior art machines, the existence, date and construction of which machines were proved by other exhibits and testimony;

d) Drafting charges for drawings of accused devices when other drawings and disclosures of such devices had been furnished upon motion and order to produce, and had been admitted in evidence;

e) Certified copies of applications and file wrappers of patents, other than those in suit, introduced in evidence but not referred to thereafter;

f) Notaries' charges for taking and certifying depositions in excess of the fees specified in sections 597 and 642, Title 28, U. S. Code;

g) Attendance and subsistence fees for defendants' expert witness at times when he was not testifying?

REASONS FOR GRANTING THE WRIT.

Petitioners submit that this court should exercise its discretion and grant writ of certiorari under the authority of Rule 38, Sec. 5(b), as follows:

1. In permitting a district court to tax as costs, items not made taxable as such by statute, rule, or practice, the Circuit Court of Appeals has decided a federal question in a way probably in conflict with applicable decisions of this court.[4]

2. In reaching the conclusion that a federal court of equity sitting in Illinois has a discretion to define what expenditures of litigation are taxable as costs to either party, the Circuit Court of Appeals has decided a federal question in a

4. Particularly *Ex Parte Peterson* (1920) 253 U. S. 300; *Newton* v. *Consolidated Gas Co.* (1924) 265 U. S. 78; *Kansas City Southern Railway Company* v. *Guardian Trust Company* (1930) 281, U. S. 1; *Rude* v. *Buchhalter* (1932) 286 U. S. 451.

way probably in conflict with applicable decisions of this Court.[5]

3. In purporting to construe the Fee Bill Act of 1853 without considering legislative intent, the Circuit Court of Appeals has so far departed from the accepted and usual course of judicial proceedings as to call for an exercise of this court's power of supervision.[6]

The Circuit Court of Appeals purports to base its decision upon the rule of *ex parte Peterson,* 253 U. S. 300, subsequently reiterated in *Newton* v. *Consolidated Gas Co.,* 265 U. S. 78 (R. 200). Under Point 1 above, the petitioners' above, the petitioners' position is that the rule therein stated does not justify the disputed taxation. However, if this court is of the opinion that the rule of *ex parte Peterson* as a matter of law does justify the decision of the Circuit Court of Appeals, the petitioners submit that such rule is erroneous and should be overruled or qualified in the interests of the law. Certiorari has been granted for the purpose of overruling or qualifying decisions of this court in the cases cited in the footnote.[7]

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5. Particularly *The Baltimore* (1869) 75 U. S. (8 Wall.) 377; *Oelrichs* v. *Spain* (1872) 82 U. S. (15 Wall.) 211; *Osborn* v. *Bank of the United States* (1824), 22 U. S. (9 Wheat.) 738; *Langnes* v. *Green* (1931) 282 U. S. 531; *ex parte Peterson* (1920) 253 U. S. 300; *Erie R. R. Co.* v. *Tompkins* (1938) 304 U. S. 64; *Ruhlin* v. *New York Life Ins. Co.* (1938) 304 U. S. 202. See, also, *Ritter* v. *Ritter* (1943) 381 Ill. 549, 46 N. E. (2d) 41 for a resume of the law of the State of Illinois.

6. Particularly in view of *Wright* v. *Vinton Branch* (1937), 300 U. S. 440, 463; *Foster* v. *United States* (1938) 303 U. S. 118, 120; *Apex Hosiery Co.* v. *Leader* (1940) 310 U. S. 469, 489; *United States* v. *Cooper Corp.* (1941) 312 U. S. 600, 605; *Colgate Co.* v. *United States* (1943) 320 U. S. 422, 429; *Harrison* v. *Northern Trust Co.* (1943) 317 U. S. 476, 479.

7. *Baltimore & Carolina Line* v. *Redman* (1935), 295 U. S. 654, 661; *Pokora* v. *Wabash Railway Co.* (1934), 292 U. S. 98, 106; *Ohl & Co.* v. *A. L. Smith Iron Works* (1933), 288 U. S. 170, 175; *Helvering* v. *Hallock* (1940), 309 U. S. 106, 119; *Graves* v. *Schmidlapp* (1942), 315 U. S. 657, 665.

PRAYER.

WHEREFORE your petitioners pray that a writ of certiorari be issued to the United States Court of Appeals for the Seventh Circuit commanding said court to certify and send to this court, on a day to be designated, a full and complete transcript of a record of all of the proceedings of the Circuit Court of Appeals had in this cause, to the end that this cause may be reviewed and determined by this court; that the judgment of the Circuit Court of Appeals affirming the order of the District Court be reversed; and that the petitioners be granted such other and further relief as may seem proper.

W. F. AND JOHN BARNES COMPANY,
JOHN S. BARNES CORPORATION
AND ODIN CORPORATION,
Petitioners,

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